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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, JULY 6, 2001

APPLICATION OF

CONECTIV,

POTOMAC ELECTRIC POWER COMPANY

CASE NO. PUA010021

and

NEW RC, INC.

For approval pursuant to § 56-88.1
of the Code of Virginia

ORDER EXTENDING TIME FOR REVIEW AND
ESTABLISHING PROCEDURAL SCHEDULE FOR FILINGS

On May 24, 2001, Conectiv, Potomac Electric Power Company ("Pepco"), and New RC, Inc. ("New RC") (collectively, "the Applicants"), filed for approval, pursuant to § 56-88.1 of the Code of Virginia ("Code"), for New RC to acquire control of Delmarva Power & Light Company and Starpower Communications, LLC, and for approval for Conectiv to dispose of control of Delmarva and for Pepco to dispose of control of Starpower. On June 1, 2001, the Commission entered an order directing the Applicants to give notice of their application, providing interested persons with an opportunity to file written comments or requests for hearing, and directing its Staff to file a report detailing the results of its investigation of the above-referenced matter.

Pursuant to that Order, on June 29, 2001, Old Dominion Electric Cooperative ("ODEC") and A&N Electric Cooperative ("A&N")(collectively, "Respondents") filed comments, request for hearing, request for extension of time, and notice of participation ("Comments"). In that filing, ODEC and A&N raised concerns regarding the impact of the merger on the cost of serving Virginia customers, on service quality and reliability, and on investments, manpower, and management decisions. Respondents stated that Applicants should clearly delineate the commitments being offered and explain exactly how performance on such will be monitored, demonstrated, and measured and address specific issues raised by the Respondents.

We believe that the issues raised by ODEC and A&N in the above-referenced filing will require additional time for review. We will, therefore, extend the period of review under § 56-88.1 for a period of 120 days, or through November 20, 2001. We will establish a procedural schedule for filings by Applicants and Respondents and will extend the date for the Staff to file its Report. Based on such filings, we expect to have sufficient information with which to make a decision on the application or to decide whether a hearing is appropriate. If a hearing is needed, we anticipate that the hearing will be held within several weeks of the filing of the Staff Report.

Accordingly, IT IS ORDERED THAT:

(1) The period of review of issues governed by § 56-88.1 shall be extended for a period of 120 days, or through November 20, 2001.

(2) On or before August 1, 2001, the Applicants shall file a Response to the Comments of the Respondents. Such Response shall detail, at a minimum, the following:

- Identify areas in which the merger is expected to produce significant cost savings, estimate the amount of such savings, and state how such savings will flow to Virginia customers. Identify the portion of such savings allocated to Delaware, Maryland, and Virginia;
- Provide greater specificity with respect to how the merger will maintain or enhance reliability with a focus on how the merger may impact reliability on the southern part of the Delmarva peninsula;
- Discuss how the merger will impact investments made to upgrade transmission service to the Delmarva peninsula;
- Describe the implications of the proposed merger with respect to distribution service quality and customer relations with a focus on the implementation of reliability guarantees; and

- Discuss what impact, if any, the proposed merger will have on congestion and resulting locational marginal prices on the Delmarva peninsula.

(3) On or before August 22, Respondents may file, if any, a Reply to the Response of the Applicants.

(4) The time for the filing of Staff's Report is hereby extended from July 10, 2001, to August 31, 2001.